(a) whether there was an advertisement by SAIL in the newspapers asking for joint venture partnership to install a Stainless Steel melting and casting plant in Salem, Tamil Nadu, leaving aside Salem Steel Plant (SSP) from the joint venture;

(b) whether the avertisement was soon changed by another advertisement for a joint venture with private party that would include SSP also; and

(c) if so, the reasons for such a swift change in the plan?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI DILIP RAY): (a) to (c) As advised by its financial advisors, SAIL issued an advertisement on 19.1.1999 calling for Joint Venture Partner only for setting up a Steel Melting Facility at Salem Steel Plant. Subsequently, in a review of the issue on 25.1.2000, the Financial Advisors further advised that it was desirable to issue another advertisement clearly indicating that prospective bidders may also submit their offers for participation in the plant itself rather than limiting their offers only for Steel Melting facilities, and accordingly a corrigendum was issued.

**Restoration of Power Connection to RSP**

1939. SHRI VAYALAR RAVI: Will the Minister of STEEL be pleased to state:

(a) whether Government are aware that the power connection of Rourkela Steel Plant has been disconnected; and

(b) if so, what steps have been taken to restores electric connection in this factory?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI DILIP RAY): (a) and (b) Yes, Sir, Power supply to Rourkela Steel Plant (RSP) was disconnected by M/s. Western Electric Supply Company of Orissa on 11.2.2000. Thereafter, RSP moved an application to the Court of Addl. Distt. Judge, Rourkela who directed that power be restored. Power was restored on 12.2.2000.

**Loss incurred by Sail**

1940. SHRI SHIBU SOREN: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that Steel Authority of India is incurring a daily loss of Rs. 5 crores;

(b) if so, the details of the loss in the last five years, year-wise and unit-wise;

(c) what are the basic reasons for such loss;

(d) what steps are being/have been taken to stop the loss of SAIL;

(e) whether Government are contemplating privatisation of SAIL; and

(f) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI DILIP RAY): (a) to (c) SAIL has incurred a loss of Rs. 2049 crores (after tax) from April—December, 1999. The losses during 1999-2000 are mainly due to stress on margins arising out of sluggish demand for steel, greater competition from imports, enhancement of supplies in domestic market and higher interest and depreciation cost on account of capitalisation of modernisation of steel plants at Rourkela, Durgapur and Bokaro.

Details of profit & loss (before tax) for the last 5 years, year wise and unit-wise, are given as under:

*(Rs. in Crores)*

| Plant/ Year | BSP | DSP | RSP | BSL | ASP | SSP | RMD | VISL* | Other | Total@ SAIL |
|---|---|---|---|---|---|---|---|---|---|---|
| 1994-95 | 619 | -94 | 19 | 662 | -6 | 21 | -6 | | -72 | 1109 |
| 1995-96 | 819 | -174 | -57 | 806 | 1 | 4 | -13 | | -68 | 1319 |
| 1996-97 | 684 | -236 | -316 | 357 | -67 | -38 | 49 | | 154 | 515 |
| 1997-98 | 701 | -509 | -374 | 367 | -88 | -120 | 19 | | 152 | 133 |
| 1998-99 | 301 | -719 | -765 | -165 | -179 | -180 | 5 | -74 | 158 | -1574 |

*VISL was merged with SAIL w.e.f. 1998-99.

@ After Tax.

(d) to (f) Government has recently approved a plan for the business and financial restructuring of SAIL with a view to increase its competitiveness and to turn the company on to a path of profitability. Privatisation of SAIL would be considered at the appropriate time.